

**Unified Budget Recommendation
By The Alabama Commission on Higher Education**

As prescribed by [Act 79-461, Section 9](#), the Alabama Commission on Higher Education has evaluated the budgets submitted by the senior public institutions of higher education and by the Chancellor of the Community, Junior, and Technical Colleges. At its meeting on December 8, 2000 the Commission reached two sets of higher education funding recommendations for Fiscal Year 2001-2002.

The first recommendation identified as the 2001-2002 Regional Standard (column 2 of the [Executive Summary table](#), page A-4) is a statement of the Commission's estimate of the basic financial requirements which should be provided to support the institutions and their programs if Alabama higher education is to provide regionally competitive education to our citizens. The second recommendation, identified as the 2001-2002 Recommendation, (column 5 of the [Executive Summary table](#), page A-4) provides an overall appropriation increase of four point six-two percent (4.62%) from the Education Trust Fund.

This funding level of \$888,268,704 for the senior public colleges and universities, is constructed in two parts. First, all existing allocations were expanded by 2.45% (column 3 of the [Executive Summary table](#), page A-4). Secondly, additional Equity funds were allocated on the basis of remaining unmet needs of the institutions (column 4 of the [Executive Summary table](#), page A-4). The [Recommended Index](#) (column 8 of page A-4) incorporates both calculations for the Recommendation and should be used to distribute all institutional funds provided beyond the existing appropriation level.

The Commission approved these recommendations by unanimous vote of members present at the December 8, 2000 meeting. The Commission members believe that this document reflects the best compromise possible between documented needs, as outlined in the Regional Standard column and the anticipated level of available revenues.

Regional Standard Recommendations

The [Regional Standard recommendations](#) (page A-8), an assessment of institutional mission, are based on the following:

- (1) The institutional Academic Programs, or "O&M," amounts are the products of the Commission's funding formulas for academic programs;
- (2) Facilities renewal needs are based on the Commission's formula for estimating facilities renewal allowances and backlogs;
- (3) Research and Public Service "line items" have been carried forward using an allocation scheme based on instructional formulas;
- (4) Necessary funds legally required to provide the employer's matching share of FICA and TRSA are included at levels expended the previous year; and
- (5) Capital Outlay Funds, while a continuing concern for higher education in Alabama, are not recommended for funding from normal revenue sources. The Commission continues to support special funding for the unmet Capital needs of the institutions. The Commission's recommendation for Capital Outlay is based on the Facilities Renewal Formula referred to above.

Modified Funding Recommendations

Historic difficulties in proposing a Unified Budget Recommendation for higher education in Alabama are magnified by the necessity to complete the recommendation process before firm projections are made of ETF revenues and problems in resolving the gap between institutional needs and available state resources. Once again, the Commission has struggled to provide a viable recommendation within the confines of expected ETF revenues.

- (1) Facilities Renewal, are included as a sum of the educational activities generating the need. Each institution's recommendation includes an allocation based on the Facilities Renewal formula applied to inventoried space. The Commission continues to endorse

treatment of major capital needs for the several institutions via processes ancillary to the regular appropriations bill.

(2) Some statewide programs that benefit all of public higher education and all citizens of the State are recommended at above average increases. These include the Southern Regional Education Board, the Eminent Scholars Program and the Marine Environmental Sea Lab Consortium at Dauphin Island. New funding is recommended for the Alabama Agricultural Land Grant Alliance.

Special Circumstances of this Unified Budget Recommendation

It is important to note that the Commission on Higher Education continues to seek a balance between legitimate institutional needs, as reflected in the constructions of the regional standards, and the historic gap in actual appropriations. If Higher Education receives a fair share of revenues and if the political leadership uses the recommended approach for distribution among institutions, convergence of relative needs and appropriations will occur. That goal is termed Equity in funding.

The Commission believes that the distribution incorporated in this Unified Budget Recommendation is one of many required steps to improve higher education funding in Alabama.